

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	Chapter 11
TOWN SPORTS INTERNATIONAL, LLC, <i>et al.</i> ,	Case No. 20-12168 (CSS)
Debtors. <sup>1</sup>	(Jointly Administered)
	Hearing Date: <i>Only if Objections are Filed</i>
	Objection Deadline: January 11, 2021 at 4:00 p.m. (ET)

**NOTICE OF FEE APPLICATION**

**PLEASE TAKE NOTICE** that, on December 21, 2020, Cole Schotz P.C. filed the **Second Monthly Fee Application of Cole Schotz P.C., Counsel to the Official Committee of Unsecured Creditors, for Allowance of Compensation and Reimbursement of Expenses for the Period from November 1, 2020 through November 30, 2020** (the “Application”), which seeks approval of a monthly fee application for professional services rendered to the Official Committee of Unsecured Creditors in the amount of \$58,443.60 (80% of \$73,054.50), together with reimbursement of expenses in the amount of \$315.62.

**PLEASE TAKE FURTHER NOTICE** that objections, if any, to the Application are required to be filed with the Clerk of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801, and served on the following, so as to be **received no later than 4:00 p.m. on January 11, 2021**: (i) the Debtors, Town Sports International, LLC, et al., 399 Executive Boulevard, Elmsford, New York 10523, Attn: Phillip Juhan; (ii) counsel to the Debtors, (a) Kirkland & Ellis, LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Nicole L. Greenblatt (nicole.greenblatt@kirkland.com) and Derek I. Hunter (derek.hunter@kirkland.com), Kirkland & Ellis LLP, 555 California Street, San Francisco, California 940104, Attn: Mark McKane (mark.mckane@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Joshua M. Altman (josh.altman@kirkland.com), and (b) Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street, Wilmington, Delaware 19807, Attn: Robert S. Brady (rbrady@ycst.com) and Sean T. Greecher (sgreecher@ycst.com); (iii) counsel to Tacit, DLA Piper LLP, 1251 Avenue of the Americas, New York, New York, 10020, Attn: Richard A. Chesley (richard.chesley@dlapiper.com), and 1201 North Market Street, Suite 2100, Wilmington, Delaware 19801, Attn: Stuart M. Brown (stuart.brown@dlapiper.com) and Matthew S. Sarna (matthew.sarna@dlapiper.com); (iv) counsel to the Ad Hoc Lender Group,

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<sup>1</sup> The last four digits of Town Sports International, LLC’s federal tax identification number are 7365. The mailing address for Town Sports International, LLC is 399 Executive Boulevard, Elmsford, New York 10523. A complete list of all the Debtors in these jointly administered cases, including the last four digits of their federal tax identification numbers and addresses, may be obtained on the website of the Debtors’ claims and noticing agent at <http://dm.epiq11.com/TownSports>.

(a) Gibson, Dunn & Crutcher LLP 200 Park Avenue, New York, New York 10166, Attn: Scott J. Greenberg (sgreenberg@gibsondunn.com), Mary Beth Maloney (mmaloney@gibsondunn.com) and Jason Zachary Goldstein (jgoldstein@gibsondunn.com), and (b) Pachulski Stang Ziehl & Jones LLP 919 Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware, 19801, Attn: Laura David Jones (ljones@pszjlaw.com) and James E. O'Neill (joneill@pszjlaw.com); (v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: David L. Buchbinder (david.l.buchbinder@usdoj.gov); (vi) counsel to the Committee, Cole Schotz P.C., 500 Delaware Avenue, Suite 1410, Wilmington, DE 19801, Attn: Justin R. Alberto (jalberto@coleschotz.com), Cole Schotz P.C., 1325 Avenue of the Americas, 19th Floor, New York, NY 10019, Attn: Michael D. Sirota, Esq. (msirota@coleschotz.com) and Seth Van Aalten (svanaalten@coleschotz.com); and (vii) to the extent not listed herein, those parties requesting notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002 (collectively, the "Application Recipients").

**PLEASE TAKE FURTHER NOTICE** that, pursuant to the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 195], if no objections are filed and served in accordance with the above procedures, the Debtors will be authorized to pay 80% of the requested fees and 100% of the requested expenses, without further order of the Court.

**PLEASE TAKE FURTHER NOTICE THAT** A HEARING ON THE APPLICATION WILL BE HELD ONLY IF AN OBJECTION IS TIMELY FILED, OR THE COURT DIRECTS OTHERWISE, AT A DATE AND TIME TO BE SCHEDULED BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI, CHIEF U.S. BANKRUPTCY JUDGE, U.S. BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.

Dated: December 21, 2020  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ Justin R. Alberto

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- and -

Michael D. Sirota (Admitted *Pro Hac Vice*)  
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*Counsel to the Official Committee of Unsecured  
Creditors*

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>TOWN SPORTS INTERNATIONAL, LLC, <i>et al.</i>,</p> <p style="text-align: center;">Debtors.<sup>1</sup></p>	<p>Chapter 11</p> <p>Case No. 20-12168 (CSS)</p> <p><b>(Jointly Administered)</b></p> <p><b>Hearing Date: <i>Only if Objections are Filed</i></b></p> <p><b>Objection Deadline: January 11, 2021 at 4:00 p.m. (ET)</b></p>
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**SECOND MONTHLY FEE APPLICATION  
OF COLE SCHOTZ P.C., COUNSEL TO THE OFFICIAL COMMITTEE  
OF UNSECURED CREDITORS, FOR ALLOWANCE OF COMPENSATION  
AND REIMBURSEMENT OF EXPENSES FOR THE PERIOD FROM  
NOVEMBER 1, 2020 THROUGH NOVEMBER 30, 2020**

Name of Applicant:	<b>COLE SCHOTZ P.C.</b>
Authorized to provide professional services to:	<b>The Official Committee of Unsecured Creditors</b>
Date of retention:	<b>September 25, 2020</b>
Period for which compensation and reimbursement is sought:	<b>November 1, 2020 through November 30, 2020</b>
Amount of compensation sought as actual, reasonable and necessary:	<b>\$58,443.60 (80% of \$73,054.50)</b>
Amount of expense reimbursement sought as actual, reasonable and necessary:	<b>\$315.62</b>
This is a:	<b>Second Monthly Fee Application</b>
Prior Monthly Applications:	<b>First Consolidated Monthly Fee Application [Docket No. 691]</b>

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<sup>1</sup> The last four digits of Town Sports International, LLC's federal tax identification number are 7365. The mailing address for Town Sports International, LLC is 399 Executive Boulevard, Elmsford, New York 10523. A complete list of all the Debtors in these jointly administered cases, including the last four digits of their federal tax identification numbers and addresses, may be obtained on the website of the Debtors' claims and noticing agent at <http://dm.epiq11.com/TownSports>.

**TOWN SPORTS INTERNATIONAL, LLC, et al.****SUMMARY OF BILLING BY PROFESSIONAL  
NOVEMBER 1, 2020 THROUGH NOVEMBER 30, 2020**

<b>Name of Professional Person</b>	<b>Date of Bar Admission</b>	<b>Position with the Applicant</b>	<b>Hourly Billing Rate<sup>1</sup></b>	<b>Total Billed Hours</b>	<b>Total Compensation</b>
Michael D. Sirota	1986	Co-Managing Shareholder (Bankruptcy)	\$1,050.00	2.9	\$3,045.00
Justin R. Alberto	2008	Member (Bankruptcy)	\$645.00	12.6	\$8,127.00
Seth Van Aalten	2004	Member (Bankruptcy)	\$825.00	25.0	\$20,625.00
Stuart Komrower	1984	Member (Bankruptcy)	\$855.00	8.8	\$7,524.00
Anthony De Leo	2013	Associate (Bankruptcy)	\$575.00	49.9	\$28,692.50
Andrew J. Roth-Moore	2013	Associate (Bankruptcy)	\$500.00	0.8	\$400.00
Jack Dougherty	N/A	Law Clerk (Bankruptcy)	\$225.00	0.4	\$90.00
Michael Fitzpatrick	N/A	Law Clerk (Bankruptcy)	\$225.00	10.6	\$2,385.00
Jennifer Ford	N/A	Paralegal (Bankruptcy)	\$300.00	6.8	\$2,040.00
Pauline Z. Ratkowiak	N/A	Paralegal (Bankruptcy)	\$315.00	0.4	\$126.00
<b>TOTAL</b>				<b>118.2</b>	<b>\$73,054.50</b>

**Blended Rate: \$618.05**

<sup>1</sup> This rate is Cole Schotz P.C.'s regular hourly rate for legal services. All hourly rates are adjusted by Cole Schotz P.C. on a periodic basis (the last such adjustment occurred on September 1, 2020).

**TOWN SPORTS INTERNATIONAL, LLC, et al.****SUMMARY OF BILLING BY PROJECT CATERGORY  
NOVEMBER 1, 2020 THROUGH NOVEMBER 30, 2020**

<b>Project Category</b>	<b>Total Hours</b>	<b>Total Fees</b>
Asset Dispositions, Sales, Uses, and Leases (Section 363)	27.8	\$18,767.50
Automatic Stay Matters	0.7	\$382.50
Business Operations	1.8	\$1,410.00
Case Administration	1.8	\$958.50
Cash Collateral and Dip Financing	4.1	\$3,041.50
Claims Analysis, Administration and Objections	5.2	\$2,755.00
Committee Matters and Creditor Meetings	1.9	\$707.50
Creditor Inquires	2.8	\$1,806.00
Disclosure Statement / Voting Issues	2.8	\$652.50
Document Review / Committee Investigation	3.2	\$2,736.00
Executory Contracts	1.0	\$460.00
Fee Application Matters / Objections	7.5	\$2,487.50
General	0.2	\$45.00
Leases (Real Property)	3.7	\$2,092.50
Litigation / Gen. (Except Automatic Stay Relief)	1.1	\$856.50
Other Investigative Matters	2.1	\$1,172.50
Preparation for and Attendance at Hearings	7.1	\$4,284.00
Reorganization Plan	39.0	\$26,242.50
Reports, Statements, and Schedules	0.6	\$387.00
Retention matters	2.4	\$935.00
U.S. Trustee Matters and Meetings	1.4	\$875.00
<b>TOTAL</b>	<b>118.2</b>	<b>\$73,054.50</b>

**TOWN SPORTS INTERNATIONAL, LLC, *et al.***

**EXPENSE SUMMARY**  
**NOVEMBER 1, 2020 THROUGH NOVEMBER 30, 2020**

<b>Expense Category</b>	<b>Service Provider (if applicable)</b>	<b>Total Expenses</b>
Conference Call		\$178.32
Online Research		\$131.30
Photocopy / Printing / Scanning		\$6.00
<b>TOTAL</b>		<b>\$315.62</b>

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<p>In re:</p> <p>TOWN SPORTS INTERNATIONAL, LLC, <i>et al.</i>,</p> <p style="text-align: center;">Debtors.<sup>1</sup></p>	<p>Chapter 11</p> <p>Case No. 20-12168 (CSS)</p> <p><b>(Jointly Administered)</b></p> <p><b>Hearing Date: <i>Only if Objections are Filed</i></b></p> <p><b>Objection Deadline: January 11, 2021 at 4:00 p.m. (ET)</b></p>
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**SECOND MONTHLY FEE APPLICATION OF COLE SCHOTZ P.C., COUNSEL  
TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, FOR  
ALLOWANCE OF COMPENSATION AND REIMBURSEMENT OF EXPENSES  
FOR THE PERIOD FROM NOVEMBER 1, 2020 THROUGH NOVEMBER 30, 2020**

Cole Schotz P.C. (the “Applicant” or “Cole Schotz”), counsel to the Official Committee of Unsecured Creditors (the “Committee”) of Town Sports International, LLC, *et al.* and its affiliated debtors and debtors-in-possession (collectively, the “Debtors”) in the above-captioned chapter 11 cases, hereby applies, pursuant to (i) sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), (ii) Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (iii) Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and (iv) the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 195] (the “Interim Compensation Order”),<sup>2</sup> for allowance of compensation for services

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<sup>1</sup> The last four digits of Town Sports International, LLC’s federal tax identification number are 7365. The mailing address for Town Sports International, LLC is 399 Executive Boulevard, Elmsford, New York 10523. A complete list of all the Debtors in these jointly administered cases, including the last four digits of their federal tax identification numbers and addresses, may be obtained on the website of the Debtors’ claims and noticing agent at <http://dm.epiq11.com/TownSports>.

<sup>2</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Interim Compensation Order.



rendered and reimbursement of expenses for the period from November 1, 2020 through November 30, 2020 (the “Application Period”), and respectfully represents as follows:

### **JURISDICTION AND VENUE**

1. The Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

2. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code. Such relief also is warranted under Bankruptcy Rule 2016 and Local Rule 2016-2.

### **BACKGROUND**

#### **A. The Chapter 11 Cases**

3. On September 14, 2020, the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the “Chapter 11 Cases”).

4. On September 24, 2020, the United States Trustee for the District of Delaware filed the Notice of Appointment of a 5-member Committee of Unsecured Creditors [Docket No. 98]. The Committee consists of: (i) 575 Lex Property Owner, LLC; (ii) Phillips International Holding Corporation; (iii) BDG 99QB, LLC; (iv) Mykola Kolomiichuk; and (v) Nancy Radford.

#### **B. The Retention of Cole Schotz**

5. On September 25, 2020, the Committee selected Cole Schotz as its counsel and applied to the Court for an order authorizing it to retain and employ Cole Schotz as its counsel, *nunc pro tunc* to that date. See Docket No. 337. On November 16, 2020, the Court entered an order authorizing such retention. See Docket No. 675.

**C. The Interim Compensation Order**

6. The Interim Compensation Order sets forth the procedures for interim compensation and reimbursement of expenses in these Chapter 11 Cases. Specifically, the Interim Compensation Order provides that a Professional may file on or after the twentieth (20th) day of each month following the month for which compensation is sought, and serve a monthly application for interim allowance of compensation for services rendered and reimbursement of expenses incurred, together with the applicable time entries and itemized expenses (the “Monthly Fee Statement”) on the Application Recipients. Provided that there are no objections to the Monthly Fee Statement filed within twenty-one (21) days after the service of a Monthly Fee Statement, the Professional may file a certificate of no objection with the Court, after which the Debtors are authorized and directed to pay such Professional eighty percent (80%) of the fees and one-hundred percent (100%) of the expenses requested in such Monthly Fee Statement. If an objection is filed to the Monthly Fee Statement, then the Debtors are authorized to pay 80% of the fees and 100% of the expenses not subject to an objection.

**RELIEF REQUESTED**

7. Pursuant to the Interim Compensation Order and section 331 of the Bankruptcy Code, Cole Schotz is seeking compensation in the amount of \$58,443.60, which is equal to eighty percent (80%) of the \$73,054.50 in fees for professional services rendered by Cole Schotz during the Application Period. This amount is derived solely from the applicable hourly billing rates of Cole Schotz personnel who rendered such services to the Committee. In addition, Cole Schotz is seeking reimbursement of expenses incurred during the Application Period in the amount of \$315.62.

**A. Compensation Requested**

8. Attached hereto as **Exhibit A** is a detailed itemization, by project category, of all services performed by Cole Schotz with respect to the Chapter 11 Cases during the Application Period. This detailed itemization complies with Del. Bankr. L.R. 2016-2(d) in that each time entry contains a separate time allotment, a description of the type of activity and the subject matter of the activity, all time is billed in increments of one-tenth of an hour, time entries are presented chronologically in categories, and all meetings or hearings are individually identified.

9. The attorneys and paraprofessionals who rendered services related to each category are identified in **Exhibit A**, along with the number of hours for each individual and the total compensation sought for each category.<sup>3</sup>

**B. Expense Reimbursement**

10. Cole Schotz incurred out-of-pocket expenses during the Application Period in the amount of \$315.62. Attached hereto as **Exhibit B** is a description of the expenses actually incurred by Cole Schotz in the performance of services rendered as counsel to the Committee. The expenses are broken down into categories of charges, including among other things, the following charges: photocopying, scanning and printing, telecopy, messenger services, outside printing, and other non-ordinary expenses.<sup>4</sup>

**VALUATION OF SERVICES**

11. Attorneys, law clerks and paraprofessionals of Cole Schotz have expended a total of 118.2 hours in connection with this matter during the Application Period.

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<sup>3</sup> In accordance with Del. Bankr. L.R. 2016-2(d)(ix), Cole Schotz reduces its request for compensation of non-working travel by 50% of the normal rate.

<sup>4</sup> In accordance with Del. Bankr. L.R. 2016-2(e)(iii), Cole Schotz does not charge more than \$0.10 per page for photocopies, does not charge for incoming facsimile transmissions, and does not charge more than \$0.25 per page for outgoing facsimiles. Applicant does not surcharge for computerized research.

12. The amount of time spent by each of the professionals providing services to the Committee for the Application Period is set forth in **Exhibit A**. The rates are Cole Schotz's normal hourly rates of compensation for work of this character. The reasonable value of the services rendered by Cole Schotz for the Application Period as counsel for the Committee in these Chapter 11 Cases is \$73,370.12.

13. Cole Schotz believes that the time entries included in **Exhibit A** attached hereto and the expense breakdown set forth in **Exhibit B** attached hereto are in compliance with the requirements of Local Rule 2016-2.

14. In accordance with the factors enumerated in 11 U.S.C. § 330, the amount requested is fair and reasonable given (a) the complexity of these Chapter 11 Cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

### **NOTICE**

15. Applicant will provide notice of this Application to: (i) the Debtors, Town Sports International, LLC, et al., 399 Executive Boulevard, Elmsford, New York 10523, Attn: Phillip Juhan; (ii) counsel to the Debtors, (a) Kirkland & Ellis, LLP, 601 Lexington Avenue, New York, New York 10022, Attn: Nicole L. Greenblatt (nicole.greenblatt@kirkland.com) and Derek I. Hunter (derek.hunter@kirkland.com), Kirkland & Ellis LLP, 555 California Street, San Francisco, California 940104, Attn: Mark McKane (mark.mckane@kirkland.com), and Kirkland & Ellis LLP, 300 North LaSalle Street, Chicago, Illinois 60654, Attn: Joshua M. Altman (josh.altman@kirkland.com), and (b) Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street, Wilmington, Delaware 19807, Attn: Robert S. Brady (rbrady@ycst.com) and Sean T. Greecher (sgreecher@ycst.com); (iii) counsel to Tacit, DLA Piper LLP, 1251 Avenue of the

Americas, New York, New York, 10020, Attn: Richard A. Chesley (richard.chesley@dlapiper.com), and 1201 North Market Street, Suite 2100, Wilmington, Delaware 19801, Attn: Stuart M. Brown (stuart.brown@dlapiper.com) and Matthew S. Sarna (matthew.sarna@dlapiper.com); (iv) counsel to the Ad Hoc Lender Group, (a) Gibson, Dunn & Crutcher LLP 200 Park Avenue, New York, New York, Attn: Scott J. Greenberg (sgreenberg@gibsondunn.com), Mary Beth Maloney (mmaloney@gibsondunn.com) and Jason Zachary Goldstein (jgoldstein@gibsondunn.com), and (b) Pachulski Stang Ziehl & Jones LLP 919 Market Street, 17th Floor, P.O. Box 8705, Wilmington, Delaware, 19801, Attn: Laura David Jones (ljones@pszjlaw.com) and James E. O'Neill (joneill@pszjlaw.com; (v) the United States Trustee for the District of Delaware, 844 King Street, Suite 2207, Lockbox 35, Wilmington, Delaware 19801, Attn: David L. Buchbinder (david.l.buchbinder@usdoj.gov and (vi) to the extent not listed herein, those parties requesting notice in these chapter 11 cases pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, Cole Schotz submits that no other or further notice is required.

**NO PRIOR REQUEST**

16. No prior request for the relief sought in the Application has been made to this or any other court.

**CERTIFICATE OF COMPLIANCE AND WAIVER**

17. The undersigned representative of Cole Schotz certifies that he has reviewed the requirements of Local Rule 2016-2, and that the Application substantially complies with that Local Rule. To the extent that the Application does not comply in all respects with the requirements of Local Rule 2016-2, Cole Schotz believes that such deviations are not material and respectfully requests that any such requirements be waived.

**CONCLUSION**

**WHEREFORE**, Cole Schotz respectfully requests that the Court enter an Order: (i) granting the Application and authorizing (a) allowance of compensation in the amount of \$58,443.60 (80% of \$73,054.50) for professional services rendered, and (b) reimbursement for actual and necessary costs in the amount of \$315.62; (ii) directing payment by the Debtors of the foregoing amounts; and (iii) granting such other and further relief as the Court deems just and proper.

Dated: December 21, 2020  
Wilmington, Delaware

**COLE SCHOTZ P.C.**

/s/ Justin R. Alberto  
Justin R. Alberto (No. 5126)  
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